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ATLANTIC CITY CONVENTION & VISITORS AUTHORITY

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NOTE: To provide a more complete picture of Atlantic City's tourism business climate, the Atlantic City Tourism District, with the cooperation and assistance of agencies and businesses within the District, provides this monthly tourism barometer and analysis, showing results for several important non-gaming indicators. An archive of monthly barometers is available at http://www.doatlanticcity.com/about/stats.aspx. Please note that some data presented during each month's initial release is unaudited and may be changed when finalized. If so, results will be updated in the online archive.

Atlantic City Experiences Strong August Non-Gaming Business

(Atlantic City, NJ, September 10, 2012) – Unhampered by the hurricane that negatively affected business last August, Atlantic City's non-gaming business indicators and attractions were buoyed by strong business this year, as anticipated.

More than 19,500 visitors stopped for information, directions and reservations at the Visitor Information Centers operated by the Atlantic City Convention & Visitors Authority (ACCVA) on the Boardwalk and the Atlantic City Expressway, a 24% jump from last August, and contributing to a year-to-date increase of 10% over year-to-date 2011.

Likewise, use of the ACCVA's official tourism information Web site, <u>www.doatlanticcity.com</u>, shows a similar increase in visitation. The site logged more than 441,000 unique visitors in August, a 20% increase from last August. Year-to-date 2012 figures are 24% higher than the same period in 2011. Moreover, nearly 391,000, or 67%, of those Web users were new visitors to the site.

"This trend continues to indicate that new visitors are interested in entertainment and events as well as hotel packages," according to ACCVA President Jeff Vasser. "Aside from our home page, the calendar of events and hotel package pages are the two most-visited pages of the site."

It was a busy month for conventions and tradeshows in the Atlantic City Convention Center and the hotel properties during a period that usually experiences a summer slump. A total of 16 such events were held in the city in August 2012, versus 6 in August 2011. Combined, they attracted nearly 5,000 attendees, who used more than 7,100 room nights and generated more than \$2.4 million in delegate spending.

"We value our convention visitors," Vasser said. "It's a great tool to generate additional business. They often bring their families and extend their stay to take advantage of Atlantic City's resort amenities. Or, they come back later with their families once they see how much there is to do here."

Boardwalk Hall also experienced increases this August. The three shows held in the city's main event arena attracted more than 27,500 visitors, a 31% increase over August 2011 and adding to the overall strength of the entertainment market in Atlantic City.

Unaudited figures from the South Jersey Transportation Authority (SJTA) report that total scheduled deplanements at the Atlantic City International Airport were up 15% for August 2012 over August 2011, and up 4.1% year-to-date. Additionally, traffic at the Pleasantville toll plaza of the Atlantic City Expressway increased 11.7% over last August, and 2.9% year-to-date over the same period in 2011.

According to Vasser, "Again, our monthly business indicators suggest that Atlantic City remains a popular destination for activities other than gambling. Our visitors know there are many ways to "Do AC," and in August they took advantage of our fun atmosphere and quality attractions."

Although attendance at attractions has not been formally tracked by the ACCVA for these monthly analyses, an informal query of the organization's marketing partners shows a strong August across the board. At the Atlantic City Aquarium, 11% more admissions were logged in August, and year-to-date admissions are up 15%, while merchandise sales have also increased. Absecon Lighthouse reports a 17.6% increase for August 2012 over August 2011. Ripley's Believe It or Not! Museum reports a 10% increase in attendance for the month of August and a 5% increase for the year.

Despite several rainy weekend days, the weather-dependent Atlantic City Cruises also had a solid month. The Dolphin Watching Adventure Cruise sold out 28 days this August, while the Happy Hour Cruise saw an increase of 20% over the previous summer. The boat's operator also reports that group tours and private party rentals were also up over 2011.

At nearby Lucy the Elephant in Margate, revenue was up 25% this August over August 2011 and the number of visitors increased substantially. They report 8,750 people toured the attraction during the month and estimate an additional 15,000 visited without taking the tour.

"Of course, we know that special events also draw large crowds to Atlantic City, and August was a great month for that," Vasser noted. The high wire walk over the beach by Nik Wallenda on August 9 drew an estimated 150,000 spectators, while the annual Atlantic City Airshow "Thunder Over the Boardwalk" on August 17 drew upwards of 800,000.

"Events of this magnitude have a strong regional impact," he said. "In fact, in a recent newspaper article, Long Beach Island (LBI) tourism official Lori Pepenella commented that LBI sees a bump in traffic whenever Atlantic City hosts a big event, as visitors often stop at LBI on the way to or from Atlantic City. That's a sure indication that Atlantic City's non-gaming sector is a solid tourism generator."

Spectrum Gaming Group provides the following additional insight to factors impacting July's business climate:

"There were many positive notes regarding August 2012 that may have boosted visitation to Atlantic City compared to August of last year (i.e., favorable weather and calendar, along with more city-wide events and the "Do AC" advertising campaign).

"On a year-over-year calendar-day basis, August 2012 was more favorable than August of prior year. In August 2011, civil authorities and the NJ Division of Gaming Enforcement mandated closure of Atlantic City's casinos for two-plus days due to the threat and approach of Hurricane Irene throughout the region. In effect, this August had 31 days, while August of last year had only 29 days at most (from a tourism standpoint, as casino-hotel operations and most other shore businesses ceased operations, while the region was evacuated). Therefore, August 2012 had 13 "weekend" days

compared to only 10 such days last year (as an entire weekend last year was impacted by Hurricane Irene), while there were 18 weekdays in August 2012 and 19 weekdays in August 2011.

"According to the National Weather Service, there were six days in August 2012 that had considerable levels of precipitation (a quarter-inch or more), while significant rainfall occurred over two days impacting one weekend of the month. Absent the weather phenomena surrounding Hurricane Irene, August of both years had comparable, pleasant weather.

"Weekly average gas prices in the region were \$3.72 in August 2012, which was only 1.5 percent higher than August of last year (at \$3.66). However, gas prices for August 2012 increased considerably from a month earlier (July 2012 at \$3.40).

"Overall, there were 64 public events held at Atlantic City's casinos in August 2012, versus 33 comparable events in August 2011, an increase of 94 percent. Notably, the annual Atlantic City Airshow, which attracts hundreds of thousands of spectators, was held on a Friday in August 2012 (while the airshow occurred midweek in August of last year and past years). Additionally, August marked the fourth full month in which the Atlantic City Alliance's "Do AC" advertising campaign was in effect."

The figures quoted above and others are available in the monthly Tourism Barometer, available online at http://www.doatlanticcity.com/about/stats.aspx.

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The Atlantic City Convention & Visitors Authority serves as the destination's principal marketing arm, stimulating economic growth through convention, business and leisure tourism development. The Authority oversees the management of the Atlantic City Convention Center and Boardwalk Hall. The Authority is the first destination marketing organization in New Jersey to achieve prestigious Destination Marketing Accreditation by the Destination Marketing Association International. For complete Atlantic City information, visit www.doatlanticcity.com. Also follow us on Facebook at www.facebook.com/AtlanticCityNJ.